

1960

CONGRESSIONAL RECORD — SENATE

14275

as a Director of the Federal Reserve Bank. He has been a national chairman of the American Red Cross war fund, a director of the Metropolitan Opera and of the American Museum of Natural History. Mr. Colt's career includes service in the U.S. Army during World War I, when he enlisted as a corporal and rose to the rank of major. For 27 years he was chief executive officer of the Bankers Trust Co. in New York and is presently a director and member of the bank's executive committee. The French Government honored him in 1949 by bestowing upon him the Order of the Legion of Honor—Chevalier. New York University conferred the honorary degree of doctor of commercial science on Mr. Colt in 1950 and Colgate University conferred the honorary degree of doctor of laws upon him in 1946.

Mr. Tobin has been in public service for 33 years, rising from the position of law clerk in the port authority law department in 1927 to his present position of executive director, which he has held since 1942. He has been port consultant to the Royal Government of Thailand, is presently a member of the advisory council of the department of politics of Princeton University, and just recently returned from Israel, where, on behalf of the World Bank, he reviewed and evaluated Israel's plan for organizing and effectuating a gigantic port development program. In 1957 Adelphi University conferred the honorary degree of doctor of laws on Mr. Tobin and the French Government also in 1957 bestowed the Order of Legion of Honor—Chevalier. On at least three occasions in recent memory the New York metropolitan press has acclaimed Mr. Tobin's significant contributions to public service.

Mr. Carty has been a member of the port authority staff since 1930, rising from his first position as paymaster to personnel director in 1934 and to this present position of secretary in 1946. Mr. Carty served in the U.S. Navy during World War I for a period of 2 years. He has been active in the leadership of the American Legion on local, State, and National echelons for the last 40 years. He presently serves by appointment of the incumbent national commander as a member of the Legion's national legislation commission; he was New Jersey State commander in 1944 and he has served on the Legion's national public relations commission. In 1949 he was appointed by Governor Driscoll, of New Jersey, to a commission to investigate communistic and un-American teachings and activities in the public schools and universities of the State of New Jersey. His other governmental service includes his present membership on the New Jersey State Veterans' Service Council, which is concerned with the welfare of veterans in the State of New Jersey.

Here are three fine Americans who have contributed much in a civic and community sense. Against their backgrounds of public service, it is not difficult to understand that they complied with the instructions of their Governors, notwithstanding that the course of obedience presented personal risks in their dealings with the Congress. Many

great Americans before them have assumed personal risks in upholding the authority and prerogatives of the Government for which they acted. Men of the caliber and ability of Messrs. Colt, Tobin, and Carty must be convinced that they are acting in the best interests of their public service if they continue to pursue this difficult course. I would hope that this proceeding, or future proceedings like it, will not have the effect of deterring such men from rendering able public service, whether it be in local, State, or National Government.

Should the contempt proceedings go forward, we must keep uppermost in mind the role of these men as defenders of their view, and that of their Governors, with respect to proper Federal-State relationships, rather than their technical status as defendants in a penal proceeding.

Mr. DIRKSEN. I yield 1 minute to the distinguished Senator from New York.

Mr. KEATING. It is appropriate that my distinguished colleague from New York has called attention to the background of these fine, upstanding men, all leaders in the community, who have hanging over them now the charge of being in contempt of Congress.

Mr. President, on Friday night I addressed the Senate with regard to the investigation of the New York Port Authority by the subcommittee of the House Committee on the Judiciary. At that time I expressed my opinion that the request of Governor Rockefeller and Governor Meyner to meet with the subcommittee prior to the return date of a subpoena, the validity of which was in question, was eminently reasonable and should have been welcomed by all concerned.

I am conscious of the necessity of remaining entirely within parliamentary bounds in my remarks, and I shall try not to depart from that course. However, I believe that the refusal of the chairman of the subcommittee to grant this request has now precipitated a clash between the Congress and the States of New York and New Jersey which might have been entirely avoided if the requested conference had been held.

Governor Rockefeller and Governor Meyner had no choice, in view of the chairman's decision, but to direct their respective representatives on the New York Port Authority to refuse to produce the disputed documents. We must not forget that we are dealing with two sovereign States. Every effort should have been made and every possibility of reconciliation should have been exhausted before this jurisdictional clash was allowed to occur.

A court battle is apparently now inevitable. Dedicated State officials, acting under the direction of their respective Governors, apparently are going to be charged with contempt as the result of the chairman's refusal to grant a reasonable opportunity for discussion of the issues involved.

I do not impugn the motives of any of the parties concerned; however, it is obvious that an extremely undesirable situation has now been created which

will not inure to anyone's benefit and which will probably be to the detriment of all.

ADJUSTING THE RATES OF BASIC COMPENSATION OF CERTAIN OFFICERS AND EMPLOYEES OF THE FEDERAL GOVERNMENT

The Senate resumed the consideration of the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President to the contrary notwithstanding?

Mr. DIRKSEN. Mr. President, it is my understanding that the time agreed upon for debate on the veto message began approximately at 2:30 p.m. Is that correct?

The PRESIDING OFFICER. At 12:25.

Mr. DIRKSEN. How much time remains on each side?

The PRESIDING OFFICER (Mr. Dodd in the chair). The Senator from Texas has 110 minutes remaining, and the Senator from Illinois has 115 minutes remaining.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I have supported pay increases in the past for postal workers and civil service employees, and I will support pay increases when I am convinced that they are justified and earned.

Proper pay for work is certainly a responsibility of every employer. I know this because I have been in business most of my adult life. One of the first responsibilities of any man in business is his responsibility to those with whom he works. Here we have a question of who is the employer. Is it the Government? If we recognize that it is the Government, then it is the people. And the people of the United States have the responsibility in this matter. I might suggest that they also have a very keen and deep interest in it.

I cannot bring myself to agreement with the bill as it was vetoed by the President, and I must therefore vote to sustain the President's veto of the measure.

I should like to explain a little in detail, if I may, some of the factors which have entered into this decision.

The steady and full employment of the postal worker provides in effect a guaranteed annual wage, a still unfulfilled dream among workers in private industry. Other pace-setting benefits of postal employees include a guarantee of 8 paid holidays per year, 3 to 5 weeks of vacation leave each year, and 13 days' credit each year for sick leave absence at full pay, leave which may be accumulated indefinitely if unused. In sum, the enviable package of fringe benefits and extras enjoyed by postal employees adds 30.9 percent to base salary costs for time worked.

H.R. 9883 was the bill recently rushed through both Houses of the Congress without the opportunity for careful de-

liberation and analysis and under the erroneous label of a 7½-percent pay increase measure.

This bill provides an average 8.35-percent pay raise for 550,000 postal workers, effective July 1, 1960, at an annual cost of \$248 million.

It will raise the hiring rate for postal clerks and letter carriers from \$2 to \$2.15½ an hour, it will raise the average pay rate of regular clerks and carriers from \$2.31½ to \$2.49½—18 cents an hour—and it will raise the maximum hourly rate of clerks and carriers by 21 cents, from \$2.49 to \$2.70.

By contrast, 12½ million factory production workers in this Nation receive an average straight-time pay rate of \$2.22 an hour, or nearly 10 cents an hour less than the present average hourly pay of post office clerks and letter carriers.

How does this 15½ to 21 cents an hour immediate increase for postal workers compare in size with recent industrial wage settlements?

Within the last few weeks a 4-percent pay increase was awarded to railroad engineers in a binding award of a six-man arbitration panel. This award will add an average 11.3 cents an hour in two steps over a 17-month period.

A Presidential emergency board in the wage dispute between railroads and some 600,000 off-train workers has just recommended a 5-cent-per-hour pay increase effective this July 1, and some fringe concessions in lieu of an increase in 1961.

The steel agreement provided for wage rate increases averaging 9.4 cents per hour effective next December 1, and 8.6 cents per hour on October 1, 1961, in addition to liberalized insurance benefits. The only increase in take-home pay prior to next December 1 has amounted to about 6½ cents an hour, representing employee contributions for insurance now assumed by the companies.

The January 1960 Economic Report of the President states that the average wage increase in 1959 was about 9 cents an hour.

The Bureau of National Affairs reports that the median increase granted in all industries during the first quarter of 1960 was 8.2 cents an hour. Settlements for the communications industry were at 4.3 cents an hour.

It is obvious, therefore, that the increases provided postal workers in H.R. 9883 are not only unjustified in relation to the present pay rates of millions of production workers in this country, but also wholly out of line with the size of the increases currently being granted in industry.

In addition, H.R. 9883 would apply these increases with the utmost inequity, in flagrant violation of the principle of equal pay for equal work, higher pay for the more responsible work—a principle which constitutes the cornerstone of the Postal Field Service Compensation Act of 1955. While the supervisory and managerial employees would receive increases of 7½ percent, employees in the upper steps of the lower salary levels—mail handlers, clerks, carriers, and so forth—occupying the less responsible jobs, would receive increases ranging from 8.4 percent to 8.8 percent.

Apart from the basic inequity of such a wage distribution, this produces a most dangerous compression in percentage difference between salary level 6 and salary level 7, the first level of supervision. The present difference between the top steps of those levels is only 8.29 percent whereas the corresponding differential in industry is generally about 10 percent. H.R. 9883 would reduce this already narrow differential to 7.55 percent. Obviously, the incentive for advancement would be materially reduced.

In view of this bill's wholly unjustified discrimination in pay treatment among postal employees, and its complete lack of merit in relation to industry wages and wage settlements, it is evident that this expenditure of \$248 million a year in public funds for the Post Office Department alone represents the height of fiscal irresponsibility. Added to the already anticipated postal deficit of \$603 million for fiscal 1961, it will produce a deficit of more than \$850 million to be borne by the taxpayers of this country, many millions of whom would consider themselves fortunate to receive the postal worker's present base pay, fringe benefits, and continuity of employment.

So that I shall not detain the Senate, I ask unanimous consent that there may be printed at this point in my remarks a list of 14 additional benefits which have accrued to postal workers under the Republican administration.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ADDITIONAL BENEFITS ACCRUING TO POSTAL EMPLOYEES UNDER THE EISENHOWER ADMINISTRATION, JUNE 22, 1960

1. Direct pay increases totalling approximately 20 percent, for a first-year cost of \$436,831,000.
2. Greatly liberalized retirement benefits, with an added first-year cost of \$10,538,000.
3. Group life insurance, at a first-year cost of \$7,103,000.
4. Group health insurance, with an estimated first-year cost of \$37,963,000.
5. Executive order holiday benefits for rural carriers, and Saturday holiday benefits which guarantee each employee 8 paid holidays per year, with first-year costs of \$4,433,000.
6. Additional equipment allowances for rural carriers, with first-year costs of \$6,800,000.
7. Increased travel allowances, with first-year costs of \$4,100,000.
8. Tax-free uniform allowances of up to \$100 per uniformed employee each year, with first-year costs of \$13,600,000.
9. Biweekly pay periods, providing 1 extra day's pay per year, with a first-year cost of \$6,700,000.
10. Military leave for substitute employees, at a first-year cost of \$2,800,000.
11. Longevity pay for substitute employees, at a first-year cost of \$765,000.
12. Unemployment compensation, with an estimated first-year cost to the Federal Government, attributable to postal employment, of \$7,200,000.
13. Free fidelity bonds at an estimated annual savings to postal employees of \$776,280 and a cost to the Department of \$190,000.
14. Social security coverage extended to temporary employees, at a first-year cost of \$5,300,000.

Mr. GOLDWATER. Mr. President, there is one thing I wish to make clear. I feel that the postal service is the responsibility of the Government; that

we are charged with that responsibility in the Constitution. Therefore, I am not one who is so wedded to the idea that the Post Office should, in effect, pay its way. I think we should make every possible effort that to hold its costs down to a relative position. However, that is not my reason for opposing this particular pay raise in both the postal area and the area of civil service employees.

The PRESIDING OFFICER. The time of the Senator from Arizona has expired.

Mr. GOLDWATER. Mr. President, I ask for 5 additional minutes.

Mr. DIRKSEN. Mr. President, I yield 5 additional minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I do not believe that the decision to grant these increases was made after careful consideration. I charge again that it was because this is a political year. In every political year, or in every election year, since I have been a Member of the Senate, a proposal has been made to raise the pay of the employees of the Government. I charge that this is simply a double-barrelled political attempt. I have been hoping, ever since I have been a Member of the Senate, that the committees which are in charge of this matter, in both Houses of Congress, would apply themselves to developing a proper wage system for postal employees. If the Government employees get the raises proposed in the bill, then just as surely as we are here today, in 2 years they will come in again, because the wages at that time will not equal, in their estimation, what they should be earning.

I have pleaded with the postal workers in my State to try to have something constructive done in this field, so that we would not have this constant approaching of the Government, particularly Congress, in an election year.

The bill before us, as I understand, was not even the subject of hearings in the Senate. I understand it was passed without any witnesses having been heard. I may be wrong, but that is the information I received.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. GOLDWATER. Would the Senator like to correct my statement?

Mr. JOHNSTON of South Carolina. Yes, siree. [Laughter.] The committee held hearings for several days.

Mr. GOLDWATER. Were the hearings held on the bill before the Senate?

Mr. JOHNSTON of South Carolina. The hearings covered all proposals for pay raises. Notices were sent to all persons concerned, and all who were interested testified. That was the statement I made when I opened the discussion.

Mr. GOLDWATER. Mr. President, I should like to have the Senator from Kansas clarify this matter. I do not want to have an incorrect statement coming from our side.

Mr. CARLSON. The chairman of the committee [Mr. JOHNSTON of South Carolina] held extended hearings on pay raises; but the particular bill which I before the Senate today was not before

1960

14277

the committee when the hearings were held. A bill came from the House, and our committee reported that bill. During the Senate committee hearings, the committee did not have before it the language of this bill. However, we had held extensive hearings on the subject of pay raises.

Mr. JOHNSTON of South Carolina. We held extensive hearings on pay raises; and when we had finished, even before the House had reported its bill, a majority of our committee had reached an agreement as to what we thought we should do, and we reported the bill which was passed by the House.

Mr. GOLDWATER. I am glad the Senator from South Carolina has cleared up any misunderstanding. However, my statement that this particular bill did not receive hearings in the committee still stands.

Mr. JOHNSTON of South Carolina. If the Senator will look on his desk, he will find the hearings.

Mr. GOLDWATER. The only hearings I have on my desk are the hearings on H.R. 10. I am sure that they are not the hearings to which the Senator has referred.

Mr. President, when we talk about pay increases, I think every factor should be carefully weighed. I do not believe it is possible, in Government employment, to measure a very important ingredient which we measure in industry, namely, productivity. It is difficult to assess the competitive position, since many persons work for the Government because they feel it is the best place in which they can give their services. To try to compare Government work with private work is very difficult, particularly in this field. Nevertheless, while it is difficult to assess competitive ability in the Government, I think we must recognize one fundamental fact, namely, that any unearned wage increase, no matter where it is, will be reflected, in industry, in higher prices; and in Government's price, which is taxes.

I know that I have been heard many times on the subject of taxes. However, I call the attention of the American people to the fact that taxation in the United States today is 31 percent of the net national income. To bring taxation back to a level of approximately 25 percent would mean cutting some \$26 billion a year from the present total of \$129 billion of Federal, State, and local expenditures. We shall have to recognize that that cannot be done. It is an impossible task to cut that much out of expenditures.

At the same time, we should recognize our responsibility to hold unearned pay increases down, especially when they are sought, as they have been, in election years; when it is difficult, considering the pressures which are put on this body and the other House, to resist the temptation to go along and say, "Well, all right; we will give the boys and girls a pay raise. This is an election year. Maybe they will vote for me."

I do not like that approach to solving the fiscal problems of the people who work with us.

Unearned wage increases in this country, to my mind, are doing more damage to the American economy than any other thing. Such unearned increases have created a competitive position in which European and other nations find it very favorable to ship goods to the United States, goods made by persons who have been historically paid on a basis of increased productivity. In this country, though, the tendency has been to provide across-the-board increases as a result of industrywide bargaining; to provide pay increases which do not recognize the skill or the better position of one man competing against another.

I warn the Senate that a continuation of such a practice in industry and in government can result only in continued price increases and continued inflation.

The PRESIDING OFFICER. The time of the Senator from Arizona has expired.

Mr. DIRKSEN. Mr. President, I yield 2 additional minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I have to agree with what the distinguished majority leader [Mr. JOHNSON of Texas] said last night in a debate with the distinguished Senator from Illinois [Mr. DIRKSEN], when they were talking about another bill.

The majority leader said, as appears at page 14075 of the RECORD of June 30:

I doubt the wisdom of granting the request of even a great man from Texas for the appropriation for an item which the committee has not heard, about which it knows nothing, which does not belong in the bill.

Mr. President, I wish we had a more careful study of this particular bill. Proof might have been offered that wage increases in one or the other, or both, of these segments of Government workers is justified. I have not been convinced of it. It is difficult for me to put myself in the position of being seemingly against the employees, because I have spent my life in a very cordial relationship with the people with whom I have worked. However, at this time I must vote to sustain the veto of the President of the United States. I hope that in the future it will be possible to take a more intelligent approach to this problem.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Ohio.

Mr. YOUNG of Ohio. Mr. President, my vote was cast, somewhat reluctantly, it is true, in favor of H.R. 9883. This despite the fact that at the time it was my feeling that at least three separate legislative proposals were arbitrarily lumped together in one bill providing a pay raise for postal employees, including letter carriers, all classified civil service employees, and all employees on the payroll and staffs of Members of the House of Representatives and of the Senate.

Of these three general groups, it was my feeling and it is my judgment that postal employees, including letter carriers, although they and these other employees received a pay increase of 10 percent in June of 1958, are the most de-

serving of a further increase in pay at this time.

My view is that in all probability classified civil service employees who received this substantial increase in 1958 are not entitled to this sizable 7½-percent-plus increase in pay at the present time, as proposed in this bill.

It is my considered judgment that employees in senatorial offices and in the offices of the Members of the other body are well paid in accord with the present allowance permitted to Members of the Congress.

It is true that the consumers price index has advanced 2.1 percent since June 1958. I cannot in good conscience go along with the view that the cost of living has increased 7½ percent to 9 percent since the last time a substantial pay raise was authorized for Federal employees.

It is my observation that most Government employees in Washington and elsewhere in governmental departments and agencies are and have been well paid in comparison with those doing the same work in private industry. Were I to make any exception whatever in connection with this statement, I would except postal employees, including letter carriers. They doubtless deserve some increase but not an 8.5-percent salary increase in addition to the 10 percent granted 2 years ago.

Furthermore, those who are in the classified civil service, including the postal service, have a job security which—in these days of corporate mergers, with one corporation taking over another and then enforcing economies; or, in event of a recession, with business failures and unemployment—those in private industry do not have. Nor do they have the fringe and retirement benefits which are given to all those Federal employees.

Furthermore, I know the members of senatorial staffs are not underpaid. A Senator who observes administrative assistants and committee clerks attending sessions of the Senate and lining the walls, watching the proceedings out of curiosity, and engaging in conversations with each other, to the disturbance of Senators who are desirous of hearing the proceedings, and conducting themselves generally in contrast with the conduct of the minority of staff assistants who are present in the Senate and really engaged in assisting Senators, feels that, by and large, they are not underpaid or overworked.

It appears to me that if the maximum pay increase accorded a Senator's assistant, as provided in the bill the President vetoed, becomes the law, then a topmost paid senatorial staff employee will be in a most favored financial situation, particularly since, unlike a Senator, it is not essential that he maintain a place of residence in the home State or meet the expenses that Senators are glad to undertake and do undertake at all times.

In addition, there is in the vetoed bill a provision about which I had no knowledge despite the fact I read the bill and listened to the debate preceding the time when we passed the bill. I refer

July 1

14278

to the extension of Federal retirement and health insurance benefits to employees of locally elected county stabilization and conservation committees. These employees, as I understand, are not in fact Federal employees, nor are they appointed or supervised by Federal Government officers. If such is the case, I do agree with President Eisenhower that the Federal system should apply only to Federal employees. This provision alone justifies sustaining the veto.

By and large, Government workers in all departments, including the legislative branch and the postal employees, are good people, and no doubt they are entitled to consideration for a pay raise.

I have come to have grave doubt about the present legislative proposal. This in addition to doubts I had before studying President Eisenhower's veto message. Now, having studied his message, and with the knowledge that our adjournment is for a period of only about 5 weeks, my conclusion is to vote to sustain the President's veto. If the veto is sustained, it will be a simple matter for the appropriate committee of the Senate to report proper legislative proposals for a pay increase. Then, depending on whatever pay increases are justified by the rise in the cost of living and whatever increases are justified in certain categories of employment, where it is considered that employees in the classified civil service and in the postal service are entitled to a substantial pay increase, there should be no difficulty in securing passage of such legislation in August. Any proper pay raise could be made retroactive to July 1.

May I add the thought and suggestion that first consideration should be given to the employees, including the letter carriers and others, in the postal service.

Then, separate consideration could be given to those in the classified civil service in Washington and in the various States.

Frankly, I would be less than truthful if I were to say that I felt that a salary increase of 8.5 percent is justified in this grim period when so much of the taxpayers' money must be spent for the defense of our country and to maintain our retaliatory power against dictatorship aggression.

It is unfortunate that administration officials have not come forward with a proposal for a more flexible salary system and a planned schedule of salaries and fringe benefits which would deal fairly with all Government employees who are not being grossly overpaid at the present time.

Having studied this entire matter, it is my judgment that this is not the time to indulge in self-indulgence. This is not the time to fatten the already fatty and well-larded Federal payroll. But, on the other hand, this is the time, in this grim period, to seek to meet the critical needs of the Nation.

Mr. President, I assert that after full and thorough consideration I cannot—and I say this regretfully—in good conscience do other than vote to sustain the President's veto.

Mr. ERVIN. Mr. President—

Mr. DIRKSEN. Mr. President, how much time does the Senator from North Carolina require?

Mr. ERVIN. About 10 seconds.

Mr. DIRKSEN. Very well, I yield.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. ERVIN. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD, as part of my remarks, a statement concerning House bill 9883.

I thank the Senator from Illinois for yielding to me.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ERVIN

I wish to make it clear why I voted against H.R. 9883 on final passage, and why I expect to vote to uphold the President's veto of such bill.

Despite the impressions of many people to the contrary, the financial resources of the Federal Government are not unlimited. For 28 years, the Federal Government has pursued a policy of fiscal irresponsibility. This is true because the expenditures of the Federal Government have exceeded its revenues in 23 of these years. As a consequence, the national debt of the United States has risen from about \$30 billion to about \$290 billion. It requires more than \$9 billion a year at the present time merely to pay the interest on this national debt. From the standpoint of plain principles of honesty, Congress ought not to make appropriations for increased expenditures without levying new taxes to cover the same.

One is shocked beyond measure when he contemplates the rate at which the Federal Government is expending the resources of the American taxpayers, and particularly how such rate has been stepped up during recent years. From the time of George Washington's inauguration in 1789 down to the day on which Eisenhower assumed the Presidency, the Federal Government collected from the American taxpayers revenues totaling approximately \$571 billion. From the time of the inauguration of President Eisenhower down to this date, the Federal Government has collected from the American taxpayers slightly in excess of \$572 billion. The Federal Government has expended all of the revenues so collected by it, and, in addition, the \$290 billion constituting our present national debt.

A substantial amount is being expended by the Federal Government each year to pay Federal civilian employees. It is estimated that during the fiscal year 1961 the average Federal civilian employment will be 2,365,359 persons, and that the Federal Government will pay these persons as compensation for their services \$12.8 billion even if H.R. 9883 is not enacted into law.

In my opinion, the Federal Government is now levying taxes which are confiscatory in nature. This is true because persons doing business under corporate franchises pay 52 percent of their net profits into the Federal Treasury in the form of income taxes, and individuals pay taxes upon their incomes into the Federal Treasury ranging from 20 to 91 percent of all their income above a paltry \$600 exemption. Moreover, these same persons and corporations are compelled to pay substantial sums to the Federal Government in the form of excise taxes, and to State and local governments in the form of income and property taxes.

For these reasons, it is not advisable for Congress to undertake to increase the heavy burden of taxation now resting upon the

backs of the American people. Moreover, the Federal Government should put an end to the disgraceful practice of deficit financing, which imposes upon our children and grandchildren the obligation of paying debts created by us. They will undoubtedly have sufficient obligations of their own.

These things being true, Congress should carefully scrutinize all requests for new expenditures and increased expenditures and confine such expenditures to the revenues at its disposal. If Congress is to follow this sensible course, it will have to confine such new or increased expenditures to things which in good conscience are entitled to priority over the numerous other demands made upon Congress by various groups of Americans.

It is undoubtedly true that virtually all Americans will agree that national defense has first call upon all Federal revenues. For several years, I have advocated as a primary necessity in this field the construction of B-70 bombers, which can be based in America and fly from America to any target on earth, the speeding up of the modernization of the ground forces which have many components now armed with obsolete weapons, the acceleration of the program for the construction of nuclear submarines armed with Polaris missiles, and the acceleration of the development of intercontinental ballistic missiles. In my view, these things are necessary to deter the Soviet bloc from attack upon us and our allies, and are necessary for our very survival in case such an attack should come.

As a result of events in Japan and elsewhere, Congress has apparently at long last waked up to the necessity of doing what I have long advocated. As a result of action by the Senate it now appears likely that Congress will appropriate approximately \$700 million for additional funds for defense items of the character described above. This means that expenditures for national defense will be increased to this extent out of such meager surplus funds as may be available during the next fiscal year. This will leave scant surplus funds for use for such new purposes as Federal aid to education, the medical care of the aged, and the like, and it can be maintained that items of this kind ought to be considered worthy of some priority over other expenditures.

If H.R. 9883 should be enacted into law, it would require \$756 million additional Federal moneys for payment of the increased salaries of postal workers and Federal employees generally. About one-third of this amount, namely, \$252 million, would be used to increase the pay of postal employees. The remainder, or \$494 million, would be required to take care of the increased pay for other Federal employees covered by the bill.

It is undoubtedly true that anyone who works for the Federal Government ought to receive just compensation for his work, and just compensation, in my opinion, would be similar to that earned by persons of comparable skills and responsibilities in private industry.

According to present plans, the Federal budget expenditures during the fiscal year beginning July 1, 1960, will total \$79.8 billion even if the salaries of Federal employees are not raised, and even if no new expenditures of any kind are authorized by Congress. If H.R. 9883 were enacted into law, it would add almost 1 percent to the entire Federal budget even if Congress made no increased appropriations for national defense, Federal aid to education, medical aid to the aged, or any other purpose.

No one can rightly assert that the Congress ought to authorize an increase in the salaries of any governmental employees unless such increase is necessary to place such governmental employees on a par with other

workers of like skills and responsibilities in private industry.

About a year ago, Congress appropriated \$500,000 to enable the executive branch of the Federal Government to investigate and report how the compensation and fringe benefits of Federal employees generally compare with the compensation and fringe benefits of persons doing like work in private industry. This investigation has been underway for some time, and we have been advised that it will be completed by September. This being true, Congress will have accurate information on this subject in time to do what is fair and just to Federal employees generally, as well as to the American taxpayers, when it convenes for a new session in January 1961.

It could act at that time on the basis of sound information free from all the tensions existing in this election year.

Instead of taking this wise course, Congress elected to act at this time before this vital information was available to it. Consequently, each Member of Congress had to determine as best he could whether or not the requested pay increases were justified.

I studied this problem to the best of my ability in the light of all the information available to me, and came to these deliberate conclusions:

1. That the postal employees had made out a case justifying the pay raise provided for them in H.R. 9833.

2. That some Federal employees subject to the Classification Act—particularly those in the lower grades—were entitled to some increase in pay, the amount of which was not clearly established.

3. That many Federal employees—particularly employees among the higher grades—were already receiving as much or more than persons of similar skills and responsibilities in private industry.

4. That the Classification Act salary structure is in need of reform. For example, the difference between the pay levels in the different grades has no sound basis, the within-grade step increases of the various grades have no relationship to each other, and the percentage difference between the entry and top salaries of the various grades differ excessively. Time and space do not permit me to go into details concerning these matters.

5. An across-the-board increase of 7½ percent in the salaries covered by the Classification Act would magnify the defects and inequities and promote rather than diminish the injustices arising to thousands upon thousands of the Federal employees covered by the Classification Act. For example, in order to vote for a paltry raise of \$225 per year for a first year GS-1 under the bill, I would have had to vote for an increase of \$1,235 per year for a 5-year GS-17.

6. The only way in which to provide for fair and just treatment for Federal employees generally is to abandon the practice of granting across-the-board percentage increases to all grades and revise the entire Classification Act of 1949 upon a selective basis which will give the employees falling in each category compensation comparable to that of persons of like skills and responsibilities in private industry. It is well to remember that H.R. 9833 does not authorize an expenditure of \$494 million for increase in the pay of Federal employees generally for a single year. It establishes new salary schedules which will require the expenditure of a like amount each year until the law is changed. Indeed, it will authorize an expenditure of much more than \$494 million a year for Federal employees generally if the Federal Government keeps expanding. In authorizing increased expenditures of this magnitude for all years in the foreseeable future, Congress ought to take enough time to see that the authorized expenditure is made on a fair and just basis. It did not do so in approving H.R. 9833.

I objected to the form of the bill insofar as it attempted to cover postal employees and Federal employees falling under the Classification Act in one bill. My objection on this basis was twofold. Since I believe the postal employees were entitled to the proposed increase, I was placed in the position of either voting against any salary increase for the postal employees, or voting to pay out almost one-half billion dollars in salary increases to Federal employees generally under a classification full of injustices and inequities. My second objection was that by including both of these matters in one bill, the President was being impliedly invited to veto the entire bill, even though he might believe that the increase provided for one of the groups of employees was fair and just.

I made two attempts to procure a bill for which I could vote with good conscience. My first attempt was my support of the Ellender amendment to restrict the increase in salary to those earning less than \$10,000 per annum. The adoption of the Ellender amendment would have removed some of the most glaring inequities created by the across-the-board percentage increase for all grades. The Ellender amendment was defeated because the proponents of the bill insisted that it be passed unchanged. My second attempt consisted of a motion on my part that the bill be recommitted to the Senate Committee on Post Office and Civil Service with directions that it divide the provisions of the bill into two bills, one dealing with postal employees and the other with Federal employees generally, and report the two bills back to the Senate immediately. This would have provided, in effect, that each of the proposals would have to rest upon its own merits and be voted on separately. If my motion had been adopted, it would have averted the possibility of a veto in case the President concluded that one group was entitled to salary increases while the other was not.

Despite any assertions which might be made to the contrary, a very good case can be made for the proposition that a large proportion of Federal employees covered by the Classification Act are not faring too bad in comparison with other employees of like skills and responsibilities in private industry. As a matter of fact, available statistics show that hundreds of thousands of people are now seeking employment in the Government service. During the past 15 years, classified employees have received seven different salary increases. I voted for the two of them adopted after I came to the Senate—one in 1955 for an average increase of 7.5 percent, and one in 1958 for an average increase of 10 percent. Moreover, I voted for an average increase for such employees of 11 percent in 1957. This increase met a Presidential veto. In addition, I have voted for measures increasing the retirement benefits of classified employees, and for measures under which they are made eligible to receive very liberal hospital and surgical insurance. I have certainly tried to be fair to them at all times. It is to be noted that available data indicates that the cost of living has risen about 2 percent since the 1958 increase of 10 percent was granted to classified Federal employees.

All of us are human. Most of us want our earnings increased, and are not inclined to have much patience with any legislator who does not agree with us on this point. If I had been guided by political considerations, I would have taken the easy way out and voted for a bill which would have conferred financial benefits upon 1,569,900 Federal workers, many of whom are my own constituents. I could not take the easy way out in this particular case. This is true because I have what some people consider a political handicap, that is, a Scotch-Irish conscience, which compels me to vote for what I think is right in the light of all the circumstances

known to me. For the reasons I have already stated, I could not vote for H.R. 9833.

Sometimes a legislator is put in the unhappy situation in which he is compelled to choose between the requests of his constituents and what he thinks is his duty to his country.

In such circumstances as this, I think that the legislator is required to guide himself by this simple verse of Edgar A. Guest:

"I have to live with myself, and so

I want to be fit myself to know,

I want to be able, as days go by

Always to look myself straight in the eye;

I don't want to stand, with the setting sun,

And hate myself for the things I've done."

If Congress should feel to override the President's veto of H.R. 9833, I think that it should take the following action:

1. It should enact into law a separate bill increasing the pay of postal employees before adjourning the present session of Congress.

2. Congress should reform the Classification Act in such a way as to make it certain that existing inequities and injustices are removed, and that classified workers will receive compensation comparable to that received by persons of similar skills and responsibilities in private industry.

Mr. DIRKSEN. Mr. President, at this time I yield to the Senator from New Hampshire [Mr. BRIDGES].

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. BRIDGES. Mr. President, I rise for the purpose of explaining my position with respect to the issue before the Senate. I also wish to inform the Members of the Senate of my intentions in the event the Presidential veto is sustained.

When the roll was called 2 weeks ago, on the question of final passage of H.R. 9833, which provided for a 7½-percent pay increase for postal and Government classified employees—or, in effect, approximately 8.4 percent for postal workers and 7½ percent for classified employees—I cast my vote in the affirmative. However, the RECORD will show that I had previously supported an amendment, submitted by the junior Senator from Kansas [Mr. CARLSON], which would have reduced the increase to 6 percent. I believe it would have been wiser had the Senate accepted the 6-percent amendment, offered by the Senator from Kansas. The amendment would have increased the possibility and the probability of the immediate enactment into law of H.R. 9833, without requiring us to undergo the situation which faces us today.

It was my opinion then, Mr. President, and it is my opinion today, that a slightly lower percentage—slightly less than the 8.4 percent or the 7½ percent provided by the bill—would have been much more advisable. However, I voted for that measure because I believed a reasonable increase was warranted.

President Eisenhower has demonstrated, through his veto action and the language contained in his veto message, his opinion that H.R. 9833 would create very serious budgetary ramifications.

As the ranking minority member of the Senate Appropriations Committee, I realize what a difficult job it is attempting to keep appropriations within necessary limits. I realize that one of the

most tremendous problems the country faces is the problem of inflation. I realize that each step we take toward inflation means suffering for practically everyone in the United States, including the postal workers, the classified workers, and all others.

Therefore, Mr. President, I could bring myself to believe in, and to support enthusiastically, what I consider to be a reasonable pay increase. The effort to amend H.R. 9883 to a 6-percent increase having been defeated, I supported the 7½-percent measure for classified workers and 8.4 percent for postal employees because I believed they were entitled to some pay increase.

However, I believe that now, in view of the President's strong veto message, in view of his definite feelings on this subject, and his responsibility for the financial conduct of our Government, the only thing for me to do, as the ranking Republican on the Appropriations Committee, is to vote to sustain the veto.

I do so with this thought in mind: If the veto is sustained, I have in my hand a bill which provides for a 6-percent increase for postal, classified, and other Federal employees. It eliminates the objectionable features which the President has pointed out, and it deletes section 115(b) through section 115(d), which were also criticized in the veto message.

I shall ask unanimous consent to introduce my bill at the conclusion of the vote if the veto message is sustained. If unanimous consent is not given, I will introduce it at the next opportunity for introduction of bills.

Mr. President, I believe that the bill is based on a sound position and, if passed, will become law. I have definitely in mind human obligations and the fact that some pay raise is warranted. But I believe it is my duty in a situation of this kind, to exercise my responsibilities as a Senator, as chairman of the Republican policy committee, and as the ranking minority member of the Appropriations Committee and to vote to sustain the veto of the President.

Mr. BUSH. Mr. President, I yield 10 minutes to the Senator from Kansas [Mr. CARLSON].

The PRESIDING OFFICER. The Senator from Kansas is recognized for 10 minutes.

Mr. CARLSON. Mr. President, I shall vote to sustain the President's veto. As a member of the Senate Post Office and Civil Service Committee, I have for many years been associated with every pay bill that has gone through this body. I have been rather proud of the fact that I have been able to be of some assistance in trying to work out some of the difficulties that are always involved when the consideration of pay legislation is begun. Therefore, it is not an easy vote for me.

These difficulties are associated with the problems that originate among groups of our postal employees, classified workers, and other Federal employees. There are always some differences of opinion between the executive branch of the Government and the legislative branch. Quite often there are differences between the majority and minority

members of the legislative committee dealing with this problem. Regardless of the differences in the past, we have usually been able to work out some reasonable compromise that would be acceptable to all concerned. Today, despite my efforts and the efforts on the part of others, we have been unable to resolve these differences, and, therefore, we are confronted with this veto message.

When this legislation was before the Senate for consideration, I discussed it at some length and expressed my views on several features of the pending matter. I offered an amendment, as the distinguished Senator from New Hampshire [Mr. BRIDGES] has just suggested, which would provide an across-the-board pay increase of 6 percent. That amendment was defeated by a vote of the Senate of 28 to 54.

I felt, in all sincerity, that this amendment might have been a solution to our present difficulty, but the Senate thought otherwise. In my discussion of the pending bill, I called attention to several what appeared to be very apparent inequities in pay legislation; and should the pending bill become law, despite the President's veto, these inequities, in my opinion, will become even more glaring as the law goes into effect.

Mr. President, I could discuss the pending matter at great length, but I feel that my views are well known and that my position has already been stated.

The Civil Service Commission, under date of June 30, issued a release which gave the Commission's views on this legislation, and I ask unanimous consent that the release of Chairman Roger W. Jones be made a part of my remarks.

The Civil Service Commission, as this body well knows, is a commission composed of bipartisan membership, and they have made an excellent analysis of the bill as they see it. I think this analysis, which I ask to have made a part of my remarks at this point in the Record, should be helpful as we begin to live under this new pay legislation.

There being no objection, the release was ordered to be printed in the Record, as follows:

The Civil Service Commission today said that it greatly regretted numerous inaccurate statements that have been made about the effect of the 7½-percent pay bill on Classification Act salaries. In stating the Commission's views that the legislation will have many inequitable results, Chairman Roger W. Jones said:

1. Legislation now pending at the White House is not a flat 7½-percent increase for all grades and steps within grade under the Classification Act. The raises actually range from 8.3 percent for the top longevity step in grade GS-1 to 5.7 percent for grade GS-18. Furthermore, within all grades through grade GS-10, the average increase is 7.7 percent, with the range running from 7.5 percent to 8 percent or over. The greatest increases, in many cases, will be given in jobs where Government pay already is comparable to that in business and industry.

2. Not only is the effect of the new schedule unequal, but it also further increases the lack of consistency among the different pay systems of the Government. At the same time discrimination is increased in numerous types of positions in which the Government

under one of its salary systems already pays salaries in excess of those paid in private industry. A typical example of this result may be found in the case of general stenographers. Data thus far collected by the Bureau of Labor Statistics in 30 areas show a national average annual salary today for general stenographers of \$3,849. Differences already existing are illustrated by comparing this figure with the Classification Act and postal stenographers whose average salary is at the fourth steps in grade GS-3 (\$3,780), and level 4 of the postal field service (\$4,455). Under the salary bill now pending, the GS-3 rate will advance to \$4,075 and the postal field service rate to 4,825, thus compounding existing discrepancies.

3. A precedent for further imbalance and inequity under the Classification Act is set in connection with the application of increases in the salary system of Department of Medicine and Surgery of the Veterans' Administration. A 7½-percent increase is granted in the top salary for a Chief Medical Director, thus setting that salary above the statutory salaries of the Administrator of Veterans' Affairs and the Deputy Administrator of Veterans' Affairs.

4. The Commission also is deeply concerned about the dangerous precedent set by a provision in the bill which not only increases the pay of, but gives to some 15,000 employees of Agricultural Stabilization and Conservation County Committees the benefits of the Civil Service Retirement Act, the Federal Employees Group Life Insurance Act, and the Federal Employees Health Benefits Act of 1959. These county committee employees are not Federal employees in any sense. They are hired and supervised by committees of farmers, elected by other farmers, who are not Federal employees. These employees are not under Federal appointment, they take no oath of office, they are not supervised by a Federal officer, they are not subject to any of the laws relating to tenure, hours of work, salary, and conditions of work which regulate the conduct of Federal employees. It is not fair to almost 1 million Classification Act employees to select this group of private citizens for this highly preferential treatment because the Federal Government has some connection with their work. It opens the door for claims of vast numbers of other citizens whose work is also of concern to the Government.

Mr. BUSH. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. BUSH. Mr. President, I speak with a heavy heart about this veto message and my feeling that I have an obligation to sustain the President's veto. I made a statement at the time the bill was originally voted on, so I shall make these remarks brief.

At that time I noted I had obtained reliable comparisons between the levels of wages in the Federal service and the levels of pay of State employees in the State of Connecticut, and the levels of pay in commerce and industry within our State, and other States, too. I discussed this matter, also, in considerable detail with a Connecticut citizen, the Chairman of the Civil Service Commission, Mr. Roger Jones, a highly respected and responsible civil servant, who has devoted most of his life to Government service.

He feels that it is an unjustified pay raise. I am convinced that it is unjustified at the present time, when we are without the information to be provided

by the study for which we voted \$500,000 last year. For that reason, I shall vote to sustain the veto.

I might add that the President himself is not one who would be naturally unsympathetic to the hopes and aspirations of Government employees, inasmuch as he has been one for the entire useful years of his life. Therefore, his very strong message, I think, must be considered as being an authoritative, objective analysis of the situation.

But what disturbs me more than anything else, Mr. President, is the relationship of this raise to other matters. I believe that the big issue before the country today is the economic competition in which we are engaged, not only with the Communist countries, but now even with the free world; countries we have helped to put on their feet, countries to whose welfare we have generously contributed by our own efforts. Many of these countries have become more aggressive and efficient in international trade than they have ever been in their history. So our competitive position in the world today is a very, very serious matter, indeed. This question came up this morning in the hearings of the Jackson subcommittee, when Governor Rockefeller was testifying, and he spoke of the seriousness of the economic war. One of the aspects of that war is the question of wages and pay. The fact is that in recent years the custom of wage increases in this country every time a contract expires, or every 2 or 3 years, has had the result of raising our wage costs above the rise in productivity. This has increased our competitive disadvantage as a producer both at home and abroad. There are thousands—hundreds of thousands—of workers in the State of Connecticut whose jobs are at stake in this world struggle, in this great competition.

Mr. President, if we continue to yield to the demand for increased wage costs without compensating increases in productivity, I feel we shall continue to increase the disadvantage which we are already beginning to feel, quite seriously, in our country. This is the big issue of the day.

Because I think it is inappropriate for the Government itself to set a bad example in the matter, and inasmuch as no overwhelming case has been made of the necessity for an across-the-board wage increase, I think it is appropriate that the Government refrain from setting an example by increasing wages throughout the entire employment structure of the U.S. Government.

I say, I speak these words with a heavy heart. I have many friends—old friends—in the organizations affected in the Government service by the bill. I know there are all going to be grievously disappointed in my vote. I regret it. I could not in good faith, feeling as I do having studied the issue as carefully as I have in the last few weeks, do other than to vote to sustain the veto of the President.

I yield back my remaining time.

Mr. CAPEHART. Mr. President, will the Senator yield me 2 minutes?

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 2 minutes.

Mr. CAPEHART. Mr. President, I am a little confused. The President of the United States in his message said that he would be willing, possibly, to sign a pay bill providing 4 percent increase. The ranking minority member of the Committee on Appropriations a minute ago said that if the bill failed he would introduce a bill to increase the pay rates some 6 percent.

I think everyone who has talked about sustaining the veto, including the President himself, is willing to provide 4 or 5 or 6 percent increase. That confuses me.

If there should be some increase, as all these gentlemen seem to think, including the President, I am not wise enough to know whether it should be 7½ percent, 5 percent, or 6 percent.

I shall vote to override the veto of the President, because I think these employees deserve an increase in wages.

Furthermore, those who know better than I, including the President of the United States, the ranking member of the Committee on Appropriations and the ranking member of the Civil Service and Post Office Committee the able Senator from Kansas, have stated their positions. The able Senator from Kansas said that he offered an amendment in committee to provide a 6-percent pay increase.

Under those circumstances I shall vote to override the veto of the President.

Mr. BUSH. Mr. President, how much time remains for both sides?

The PRESIDING OFFICER. The proponents have 108 minutes and the opponents have 74 minutes.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum, and I ask that the time be charged equally to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CALL OF CALENDAR TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that tomorrow, at the conclusion of routine morning business, there be a call of the calendar for consideration of measures to which there is no objection, beginning with Calendar No. 1817.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I give notice to Senators that we should like to consider Calendar No. 1824, S. 2195, to authorize the Secretary

of the Interior to construct, operate, and maintain the western division of the Dalles Federal reclamation project, Oregon, and for other purposes, and shall make a motion for its consideration, if at all possible, before the recess.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from Connecticut [Mr. Bush].

CAPTIVE NATIONS WEEK

Mr. BUSH. Mr. President, since the Congress will be in recess during the observance of Captive Nations Week, starting July 18, 1960, I should like to associate myself at this time with the text of the Captive Nations Week resolution as passed in the 1st session of the 86th Congress.

Judging by the violent reaction from the Kremlin to the passing of the resolution last year, it must have struck at the heart of the Communist monolith. The resolution rightfully points out the evil nature of Communist imperialism and decries its policy of enslavement and its denial of basic human rights.

While valid aspirations for independence are being satisfied in the free world, the tenacious stranglehold by communism of captive nations continues unbroken. In most of the world, the strong tide of nationalism since the end of World War II has resulted in the attainment of independence by hundreds of millions of people, largely through peaceful means. Within the last 2 weeks alone, we have seen several new nations emerge on the African continent, and many more will undoubtedly attain independence in the next decade. Within the Communist bloc however, any attempt on the part of the people to attain freedom would be crushed ruthlessly as it was in Hungary.

Despite the relentless implementation of Communist policies of imperialism and enslavement, the people behind the Iron Curtain have never given up hope for their eventual release from Communist tyranny. By observing Captive Nations Week, we shall once again dramatize to the world our dedication to the principles embodied in our own Declaration of Independence, thereby associating ourselves with, and encouraging, those who steadfastly aspire to freedom and independence.

ADJUSTING THE RATES OF BASIC COMPENSATION OF CERTAIN OFFICERS AND EMPLOYEES OF THE FEDERAL GOVERNMENT

The Senate resumed the reconsideration of the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. DIRKSEN. Mr. President, if I may have the attention of the majority leader, I wish to state that I shall yield 5 minutes to the distinguished Senator from Utah [Mr. BENNETT], and I believe 3 minutes is desired by the Senator from

New York. Then I shall conclude the discussion on this side, and we shall be prepared to vote.

Mr. JOHNSON of Texas. Mr. President, if it is agreeable, we shall try to work our discussion in under a 30-minute period. If the other side can do likewise, we notify Senators that we shall try to have a vote at approximately 4:30, if that is satisfactory to the minority leader.

Mr. DIRKSEN. I did not hear the Senator.

Mr. JOHNSON of Texas. I said that we shall confine ourselves to 30 minutes on condition that the minority do likewise, and then we shall notify Senators that we shall be prepared to vote at 4:30.

Mr. DIRKSEN. Mr. President, I will make every effort to conform.

I yield 5 minutes to the distinguished Senator from Utah.

Mr. BENNETT. Mr. President, I shall not use 5 minutes.

I rise to speak in support of the forthright action taken by the President in vetoing H.R. 9883, the Federal employees salary increase bill. In my opinion the veto message is sound and presents overwhelming data showing why this pay legislation should not be enacted in its present form.

During the years I have served in Congress I have championed and supported legislation providing adequate salaries for our Nation's postal workers and civil service employees. In addition, I have supported bills providing life and health insurance for the Federal workers and sponsored other measures improving working conditions and granting many fringe benefits to these employees. Consequently, I am not unmindful of the needs of Federal workers, nor of the substantial contribution which they make to the welfare and security of our Nation. However, I cannot in good conscience support H.R. 9883.

It seems strange to me that Congress would appropriate \$500,000 for a special study to ascertain the comparability of Federal salaries with those paid in private business, together with a study of the grade-by-grade differentials, and then proceed to act on this sweeping pay legislation before the study is completed. This survey is scheduled to be in final form by September, and wisdom would dictate that we wait until next year to pass a pay bill, based on the findings of this special study.

If we will take a careful look at the facts, it is impossible to justify a 7.5- to 8.5-percent pay increase at this time. In 1958, Federal employees received a 10-percent pay increase which more than made up for the differential in the Consumer Price Index dating back to the previous increase in 1955. Since 1958, the Consumer Price Index has increased 2.1 percent, based on the latest available data. Thus any argument that a 7.5-percent pay increase is necessary to keep up with the cost of living is completely unfounded. The maximum justifiable increase on this basis is 2.1 percent.

Going back to 1953, the beginning of the Eisenhower administration, the Consumer Price Index has increased less

than 11 percent, while Federal classified salaries have increased 18.5 percent, and postal salaries an average of 23.4 percent. These computations are based on a selection of a GS-5 entrance rate for the classified workers and a city carrier for the postal workers. Thus under this administration, Government salaries have increased at twice the rate of the Consumer Price Index.

Finally, I wish to call the attention of the Senate to another important effect of a Federal pay increase. This has to do with the relationship between Federal salaries and State government salaries, which I pointed up in my statement to the Senate when the bill passed on June 17. The President has made an excellent analysis comparing Federal pay scales with private industry, but there is also the important factor of relating Federal pay to State and local government pay, since there is competition for workers at these various levels of the Government.

Using the present pay scales, before the proposed increase, employees of the State of Utah who correspond to Federal GS-2 and GS-3 clerks, are now earning from \$50 to \$60 a month less than their Federal counterparts. If the pending bill goes into effect, it will increase that difference by another \$20 to \$24 a month.

Utah social caseworkers, who are a semiprofessional group, are earning between \$60 and \$100 a month less than the pay received by Federal Government employees who perform similar work. And numerous other examples of the same nature could be cited.

I wonder whether we stop to realize the damage we are going to do to the State governments and their employees, particularly in the case of the smaller States far removed from the large metropolitan centers, when we widen this variation. Not only shall we increase the burden on the taxpayers, by reason of the added cost of the Federal payroll; but, in addition, we shall put the taxpayers of many States in a situation in which, by using the Federal Government's example as a lever, attempts will be made to force up the State, county, and municipal payrolls.

So the real burden on the taxpayer may be very much heavier than that represented by the proposed legislation now before us. This is one additional reason why I am persuaded to uphold the President's veto of the Federal pay bill.

It is my hope that Congress will take action before adjournment to make permanent the 2.5 percent temporary pay increase granted to postal workers in 1958. In addition, I favor a modest and fair salary increase for Federal workers as suggested by the President in his veto message.

After the completion of the Federal pay study and report which is due this fall, Congress should be able to work out any inequities in the Federal pay schedules and come up with a permanent solution to this vexing problem.

Mr. DIRKSEN. I yield 5 minutes to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I suppose there is probably a larger concentration of postal employees, who are so heavily affected by this bill, not only in my State, but in my home community of New York City than there is in any other State or city. It is estimated that the New York post office, which does not cover the whole city but covers the busiest commercial part of it, has about 35,000 employees. For many years I have had my Senate office in post office buildings of New York. I now have it in one of the major stations of the New York post office. For many years I have known personally a host of the employees and have become very familiar with their problems. Others will unquestionably analyze the detailed figures on this bill, and, indeed, the President of the United States has analyzed the detailed figures in his veto message.

But I wish to identify myself with the views I just heard expressed by the Senator from Indiana [Mr. CAPEHART], which I think hit the nail on the head. I have been impressed through the years with literally hundreds upon hundreds of postal employees, whom I know personally, and the trouble they have had making a living. Whatever the figures may show by way of comparisons, it is a fact that an unbelievable number, an altogether uncalled for number of postal employees either have two jobs or have wives working in order to make ends meet. The individual but detailed stories of these servants of the United States, indicating the hardships which they are undergoing in order to manage and keep their jobs and live at the same time, negate all of the abstract and theoretical arguments which were made upon the subject. But even beyond that, I think there are two final facts which will make me vote to override the veto. They are these:

First, that when the increases which these employees have received since 1952 are compared with the increases afforded employees in normal private employment, they fall under par, with an average of around 17½ percent, as contrasted with 25 percent or more on the part of industry generally.

Second, and very importantly, even when the arguments which are made against this bill which the President has vetoed are examined, it will be seen that in percentages it gets so close to what the bill provides that, knowing as I do the individual hardships involved—and I have lived with it for years—it does not make any sense to turn this bill down and start all over again.

Everyone agrees that the two and a half percent cost of living increase should be continued, and there seems to be general agreement, even from the strongest opponents, that there ought to be something added to that—let us say another two and a half percent. Many, including the Senator from Kansas [Mr. CARLSON], have talked about the fact that the increase should be three and a half percent. The Senator from Kansas himself proposed that there be a 6-percent increase. When the final one and a half percent or two and a half percent difference—considering the 7½ percent in this bill—is precipitated down to the individ-